



NOV 21 2002

*United States Department of Transportation*  
**TRANSPORTATION SECURITY ADMINISTRATION**

400 Seventh Street, S.W.  
Washington D.C. 20590

November 20, 2002

DMS Docket Nos. 11120 and 11334

Mr. Jay Sorensen  
Executive Vice President  
The Company Jet  
1800 Byberry Road, Suite 909  
Huntingdon Valley, PA 19006

DEPT. OF TRANSPORTATION  
NOV 21 PM 3:53

Dear Mr. Sorensen:

Thank you for your letter of October 23, 2002. Your letter confirms our telephone conversation of October 22, 2002, regarding security service fees imposed by the Transportation Security Administration (TSA). You indicate that, beginning March 1, 2003, The Company Jet will operate "Part 380" public charter flights between JFK International Airport in New York and Burbank Glendale Pasadena Airport in California using 727s configured with 58 all-first class passenger seats. Copies of your letter and this response have been placed in the Department of Transportation's Docket Management System (DMS) for public review, which is accessible online at <http://dms.dot.gov>.

As you know, following the tragic events of September 11, 2001, Congress enacted the Aviation and Transportation Security Act (Public Law 107-71; November 19, 2001) (ATSA), which required TSA to assume certain civil aviation security functions and to impose two fees to help pay for the costs of specified civil aviation security functions. Pursuant to Section 118 of ATSA, codified at 49 U.S.C. § 44940, TSA has issued regulations that impose a fee on aviation passengers, known as the September 11<sup>th</sup> Security Fee, codified at 49 CFR Part 1510, and impose a fee on air carriers and foreign air carriers, known as the Aviation Security Infrastructure Fee, codified at 49 CFR Part 1511.

With regard to the imposition of the September 11<sup>th</sup> Security Fee, please be aware that, pursuant to Part 1510, it is imposed on transportation sold (including frequent flyer tickets) at \$2.50 per passenger enplanement, at a maximum of two enplanements per one-way trip or four enplanements per round trip, on all flight segments originating at an airport in the United States. Though imposed on passengers, it is the responsibility of direct air carriers and foreign air carriers to collect and remit fees from passengers enplaning either (1) a scheduled passenger or public charter passenger operation with an aircraft having a passenger seating configuration of more than 60 seats or (2) a scheduled passenger or public charter passenger operation with an aircraft having a passenger seating configuration of less than 61 seats when passengers are enplaned from or deplaned into a sterile area. If your aircraft seating configurations or your enplanement/deplanement areas fall under this regulation, then your passengers will be required to pay the September 11<sup>th</sup> Security Fees and you are required to remit these fees to TSA under the

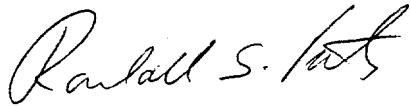
schedules established in the regulation. Even if you do not collect September 11th Security Fees from passengers, you must still remit them to TSA.

With regard to the application of the Aviation Security Infrastructure Fee to “new” airlines, please be aware that, pursuant to ~~Part~~ 151.1, it is imposed on all air carriers and foreign air carriers engaged in air transportation. However, until fiscal year 2005, each carrier’s individual annual fee is capped at the amount it paid in calendar year 2000 for costs related to screening passengers and property, as determined by the Under Secretary. Therefore, carriers that did not operate in calendar year 2000, or had no such expenses in that year, will not owe TSA any Aviation Security Infrastructure Fee until fiscal year 2005, unless that carrier becomes the successor entity to a carrier that did owe or would have owed such a fee.

~~Part~~ 15.10 and 15.11 may be viewed in their entirety online in the “Law and Policy” section of the TSA website (<http://www.tsa.gov>). Further information regarding TSA’s regulatory interpretations and TSA’s communications with airline stakeholders are also available in DMS docket nos. 11120 and 11334, which are accessible online at <http://dms.dot.gov>. Finally, guidance on how to remit the fees to TSA can be found on the TSA website at [http://www.tsa.gov/industryqartners/security\\_fees\\_index.shtm](http://www.tsa.gov/industryqartners/security_fees_index.shtm)

If you need further assistance, please contact me at (202) 385-1209. You may also contact Steven Cohen in the Office of the Chief Counsel at (202) 493-1216.

Sincerely,

A handwritten signature in black ink, appearing to read "Randall S. Fiertz". The signature is fluid and cursive, with the first name "Randall" being more legible than the last name "Fiertz".

Randall Fiertz  
Acting Director of Revenue